



City Councilmember
Carl DeMaio

News Release

DeMaio Releases Balanced Budget Plan To Protect Reserves and Avoid Tax or Fee Hikes

Proposes a Package of Efficiency Reforms to Save \$22.1 Million in Taxpayer Funds

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SAN DIEGO – City Councilmember Carl DeMaio today released a comprehensive Balanced Budget Plan that would alter the proposed FY 2010 budget to protect city reserves while avoiding tax and fee increases. With the outcome of the May 19th election on state budget reforms highly uncertain, DeMaio is touting his plan as providing an important “cushion” for possible state government cuts to city funding if the state budget deal unravels.

“We have made progress with the recent labor contracts, but the current budget proposal on the table is flawed. The current budget plan imposes untimely fee increases while raiding city reserves – and leaves no cushion for possible state budget cuts. My plan puts \$22.1 million in cost saving reforms on the table to help the Mayor and City Council protect city reserves and avoid tax and fee hikes,” DeMaio commented as he released his plan. “My budget proposal also provides the city with an important financial cushion should the state government raid our local funds,” added DeMaio.

DeMaio’s plan reduces budgeted spending by \$22.1 million from the original proposal – and includes a number of efficiency reforms that would restructure how the city departments operate and emphasize ongoing cost savings rather than the use of “one-time” monies. Among the highlights of DeMaio’s proposal:

- **Enhancement of Internal Audit Functions:** DeMaio adds nearly \$400,000 in funding for the Auditor’s Office to expand independent financial and performance audits – and dedicate a fraud investigator to the city’s Whistleblower Hotline. “We can actually save millions in taxpayer funds through this important investment,” commented DeMaio in explaining his proposed spending increase in this area.
- **Trash Collection Reforms:** DeMaio proposes a number of reforms to trash collection that will generate more than \$1.5 million in savings annually.
- **De-Layering of Middle Management:** DeMaio adopts a key recommendation of the AFSCME union by proposing the elimination of the position of Assistant Chief Operating Officer and 15 other middle management positions – for savings of \$2.5 million.
- **Redevelopment Contribution:** DeMaio proposes a \$3 million repayment to the General Fund by the redevelopment agencies – primarily from CCDC.
- **Reduction in Supplies and Services:** Based on reviews showing unexpended amounts in various departments for FY ‘09, DeMaio cuts \$3.1 million in these accounts.
- **Partnerships and Philanthropy:** DeMaio proposes expanded marketing partnerships, a fundraising drive through the Library Foundation, and better accounting and use of wireless revenues – shaving more than \$2 million off the budget deficit.

In January DeMaio released an initial budget proposal outlining reforms to trim city salaries and benefits—and applauded his colleagues recently for unanimously adopting new labor contracts as a key first step in the effort to balance the \$60 million FY 2010 budget deficit. The Mayor is expected to submit a revised budget to the City Council later this month, with City Council taking action by early June.

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